

Coins

Beads clicked with Colonial America

By Roger Boye

THE FIRST SETTLERS didn't care that few coins circulated in early Colonial America.

They were content to use animal skins, food, beads, and other treasures of their agrarian society as media of exchange.

It's well that their way of life didn't demand the use of coins, because Mother England did almost nothing to develop a coinage system in the Colonies. Even after European nations began trade with the Colonies, and the need for coins became clear, England still was negligent.

As a result, European coins began filtering into the Colonies, and by the 1600s, coins of five nations were circulating in America. Many of them were brought by European traders to pay for Colonial goods. [One widely circulating European coin was the Spanish dollar. One-eighth of this dollar—12½ cents—was known as a bit, and today the term "two bits" refers to a quarter.]

In addition, some Colonial governments began to mint coins. The first coins [shillings and pence pieces] were made in Massachusetts in

the 1650s [almost all of these were dated 1652].

But the mixture of so many types of coins with different compositions and values was confusing, at best. It is not surprising that a concern of the American government after the Revolution was establishment of a coinage system.

In the 1780s, congressmen debated about the type of monetary system needed in the new country. Some advocated adopting the British pound system. Others proposed a system in which the basic unit would be equal to a fraction of a Spanish dollar.

Thomas Jefferson, among others, wanted a dollar unit coin which could be divided on a decimal basis. This dollar system had the most support because of the wide circulation of the Spanish dollar in America and because it was easy to understand.

The first Treasury secretary, Alexander Hamilton, supported the dollar-decimal system for coins, and in 1792 Congress passed a bill authorizing mintage of a half-cent, cent, half-dime, dime, quarter, half-dollar, silver dollar, and gold coins in denominations of \$2.50, \$5, and \$10.

In the 184 years since that act, the United States Mint has made approximately 150 billion coins for U. S. circulation in more than 15 denominations [including such pieces as 2 cents, 3 cents, and 20 cents]. Mints have operated in seven cities [three of these exist today: Philadelphia, Denver, and San Francisco].

The regular-issue coins have carried the likenesses of six Presidents [George Washington, Thomas Jefferson, Abraham Lincoln, Franklin Roosevelt, Dwight Eisenhower, and John Kennedy] and one statesman [Benjamin Franklin]. At the present time, all regularly issued coins carry portraits of Presidents.

For an extremely dramatic change, by the year 2076, it is not too difficult to imagine that all financial transactions could take place by computer. For example, to buy a hot dog from a vending machine, simply put your computer card into a slot on the machine and the cost of your lunch will be deducted automatically from your account.

That kind of America will be like the America of early Colonial days: a society without coins.